

VZCZCXRO4282  
RR RUEHMR RUEHRN  
DE RUEHLU #0056/01 0221145  
ZNY CCCCC ZZH  
R 221145Z JAN 07  
FM AMEMBASSY LUANDA  
TO RUEHC/SECSTATE WASHDC 3630  
INFO RUCNSAD/SOUTHERN AFRICAN DEVELOPMENT COMMUNITY

C O N F I D E N T I A L SECTION 01 OF 04 LUANDA 000056

SIPDIS

SIPDIS

STATE FOR AF AND AF/S

E.O. 12958: DECL: 01/23/2017  
TAGS: [PREL](#) [PGOV](#) [ECON](#) [EAID](#) [PHUM](#) [AO](#)  
SUBJECT: SCENESETTER FOR DAS CAROL THOMPSON'S VISIT TO  
ANGOLA

REF: STATE 07409

Classified By: Ambassador Cynthia G. Efird for Reasons 1.4 (b) and (d)

¶1. (C) DAS Thompson, I want to warmly welcome you to Angola. Your visit follows the highly successful 2006 visits of General Ward, A/S Lowenkron and then-PDAS Pittman. Your visit, which will be followed by the February ship visit of the USS Kaufmann, starts 2007 positively towards the USG goal of reinforcing our bilateral relationship and strengthening high-level engagement with the GRA. Angola is at a pivotal juncture in its development and reconstruction: uniquely blessed with natural resources, but emerging from twenty-seven years of civil war following its independence after centuries of colonial rule. The war not only destroyed the physical infrastructure: transportation routes, agricultural land, and industry; but also kept Angolan human capital development at the low colonial level with little professional training or even basic schooling.

¶2. (C) The GRA is striving to use the resources generated by extractive industries to strengthen and in many cases develop institutions for the first time. They have achieved some important milestones in the second half of 2006: the final internal conflict in Cabinda was brought to a negotiated resolution in August and almost 1,000,000 Angolans registered to vote in the first month of the electoral registration campaign, bringing Angola one important step closer to its first elections since 1992. President dos Santos and the leaders of opposition parties represented in Congress also agreed on a recommendation for legislative elections in 2008 and presidential elections in 2009. The GRA is also increasing transparency, especially in the oil sector. However, systems that ensure transparency, accountability and inclusiveness still remain in their nascent stages and GRA efforts to jump-start this process are hindered by a lack of human capital to carry out the necessary reforms as well as a political culture more focused on personal survival rather than on the greater good. As we increase our engagement, the GRA also seeks closer ties with the USG and US investors. We hope that your visit will help reinforce our desire to see a Trade and Investment Framework Agreement (TIFA) concluded quickly. Your visit will also focus on many of our USAID collaborations in public-private partnerships, reinforcing the message that US businesses bring not only excellent quality goods and services, but equally important provide community oriented projects to help improve the lives of Angolans. End summary.

Politics and Elections

-----  
¶3. (C) The first phase of voter registration ran from November 15-December 15, 2006 and was highly successful, registering almost one million eligible voters. While not without glitches, these were noted and remedied, with opposition party and NGO observers accompanying the process.

Voter registration began again on January 15, and will continue through June 15, 2007. In late December, the President convoked the Council of the Republic whose membership includes civil society leaders and the presidents of all opposition parties represented in Congress. The Council recommended legislative elections in 2008 and presidential elections in 2009 (Note: At its last meeting in 2004, the Council recommended elections no later than 2006 End Note.) We hope that your visit can help convince the Angolans of the need to make this recommendation official and part of a Council of Ministers approved timetable for elections. Immediately thereafter, the government announced that the 2008 date for legislative elections was due to the post-registration procedures (posting and vetting lists, legally-mandated waiting periods, etc). Regarding the 2009 date, many of our interlocutors evince skepticism that presidential elections will occur before 2010, a year in which Angola will host the African soccer championship and hold the chairmanship of the AU. US-funded NGOs, such as International Republican Institute (IRI), National Democratic Institute (NDI), and Search for Common Ground, have been very active at the provincial and municipal level in political party strengthening, building elections capacity, and working with conflict resolution, respectively. President dos Santos has made no formal announcement whether he will run for President when elections are held.

14. (SBU) A recent poll by IRI showed the vast majority of Angolans support the government's economic performance and plan to participate in elections. Poll results indicate a clear electoral advantage and public support for the ruling MPLA party, but also show possible areas of weakness on which opposition parties could develop campaign strategies. Opposition parties focused on results that seemed to fly in

LUANDA 00000056 002 OF 004

the face of popular perceptions, refusing to accept the validity of key data indicating weak support (Luanda 31).

15. (C) In general, the opposition political parties have not been able to articulate individual party identities and platforms, other than to say that they are not the MPLA. They are still learning how to hold the government accountable for its promises and programs and often attempts to do so are handled more astutely by the MPLA and backfire on the opposition. NGOs have helped deliver the message that elections need not end in violence, and we expect this message to figure heavily into the GRA's electoral civic education campaign. However, all parties could be more vocal in reassuring the population that the importance of the election is in the institutionalization of democratic processes and all will abide by the results of a free and fair election. Large numbers of weapons remain throughout the countryside. Through PM/WRA, we are supporting small weapons destruction programs. Opposition parties also recognize that they may lose significant sources of federal funding post elections depending on the results as funding is based on the number of seats a party holds in the Parliament. UNITA, in particular, is concerned that a potential drop in congressional representation will directly affect its party coffers.

Human Rights Improvements but  
GRA Challenged by a Lack of Capacity

16. (SBU) The government's human rights record showed improvements in 2006 but problems remain in areas of the overburdened judicial system; arbitrary arrests and detention, lengthy pretrial detention, and a lack of due process. Prisons are overcrowded with harsh conditions, especially in the provinces. In the last year we have seen fewer acts of violence by governmental security forces due to internal investigations and a commitment at higher levels to curb police brutality. However, private security forces have become responsible for an increasing number of violent

actions. The Minister of the Interior pledged to develop laws to regulate the private security forces. The GRA appointed an Ombudsman for Human Rights, and after many months, delay in implementing the legislation to institutionalize the office, it has now begun to function. A revision of the penal code is in draft which will include regulations against domestic abuse. Following a high-profile spousal murder case in December 2006, the GRA has announced a new program of &Zero Tolerance8 for domestic abuse. As in many sectors, government progress is challenged by the lack of trained personnel, and computerization and data collection capacity. The NGO movement is still nascent, but there are some indigenous organizations tracking human rights abuses and working with the GRA to train the national police on human rights issues.

¶17. (SBU) USG-funded programs have helped train police through the ILEA Gaborone facility and on specific issues such as trafficking in persons and child rights through our international organization partners in Angola. The USG, in conjunction with the Government of Portugal, is carrying out a project of court automation with the Ministry of Justice. Angola's participation in SADC and its regional programs has also forced it to focus more extensively on issues such as human rights, police training, trafficking, and child labor. The press covers these issues occasionally, but especially when tied to international conferences or training events.

¶18. (SBU) The signing of the Memorandum of Understanding for Peace and Reconciliation in Cabinda is also seen as a major step for bringing peace to all of Angola and in bringing about greater representation for the people of Cabinda. As part of the agreement FLEC military combatants were assimilated into the Angolan Armed Forces (FAA) with a significant number of command positions at year's end. In addition, Cabindans will be given designated numbers of vice ministerial and other positions in the Angolan government.

#### US Assistance: Making a Difference

¶19. (SBU) While Angola shows signs of growth and development - you'll see many construction cranes on the Luanda skyline - the country still has some of the lowest development indicators in the world. Sixty-eight percent of the population lives in poverty, 26 percent in abject poverty. Life expectancy is forty-seven years, more than 30 percent lower than the average for developing nations; infant mortality and other measures of the quality of life are among the worst in the world. A cholera outbreak, which claimed almost 2000 lives across Angola in 2006 could resurface

LUANDA 00000056 003 OF 004

during the current rainy season, although most observers predict that 2007 cholera outbreaks should be less severe given measures the government has taken. A country with a developed health infrastructure could have prevented the high death rate during the epidemic. In general, institutional capacity to treat diseases of all kinds is hindered by a lack of capacity of trained medical professionals, to educate young people, and deliver the range social services needed. Further, attacking the conditions which allow the disease to flourish - lack of potable water and sewage treatment - is a long-term process.

¶10. (SBU) Nevertheless, many of the Western donors have scaled back aid to Angola since the end of the war period. The USG program has been growing steadily. Our flagship program is the President's Malaria initiative (PMI). The Angolan government, in particular the Health Ministry, has been closely involved in the program and collaboration with other donors is strong. In the first year of implementation, PMI mobilized the spraying of over 125,000 houses (reaching over 500,000 Angolans) and the distribution of over 800,000 bednets.

¶11. (SBU) The USG is also highly visible in the fight against

HIV/AIDS. Angola presents a unique opportunity to combat the spread of HIV/AIDS. According to CDC data, Angola has a relatively low prevalence rate. It is generally agreed that the low rate is due to the country's isolation during the civil war, but high rate of male circumcision could also be a factor. Still, many of the factors conducive with a spike in the rate are in place: the early age of sexual debut; the common occurrence of multiple partners, and improved transportation routes, which encourages greater interaction with its neighbors. Already frontier provinces show higher rates of prevalence than the rest of the country. The USG -- CDC, USAID, DOS and DOD -- is working closely with the Angolan Ministry of Health and private partners to implement the national plan against HIV/AIDS.

¶12. (SBU) Angola's path to transformational development will be a long and winding one unless transparent, accountable, participatory and effective governance can be realized and a broad swath of the population empowered economically. The USG is putting into place a strong program to reinforce Angolan efforts to further good governance in areas such as supporting free and fair elections, decentralization and civil society development. All USG activities also focus on at least one of the following: improving the quality of dialogue between government and civil society, promoting transparency and accountability, and strengthening the linkages among the municipal, provincial and national levels of government.

¶13. (SBU) Under our small but robust economic growth programs we have worked with Chevron to establish a bank catering to micro and small enterprises that, two years after opening, has already extended USD 20 million in loans. Our agriculture development and finance program which began in late FY06 has attracted support from both Chevron and Chiquita. Our work with the Ministry of Finance has led the Ministry to ask the USG to coordinate donor efforts. We have likewise established a strong relationship with the Angolan Central Bank, most recently co-sponsoring a highly successful conference on monetary issues.

¶14. (SBU) Angola also remains one of the most heavily land-mined countries in the world and USG assistance provides nearly USD 6 million to support humanitarian landmine clearance. We also support capacity building within the Angolan National Demining Commission, in order that the Angolans will one day be able to take over the major role played by international NGOs in landmine clearance. We have also contributed significantly to the efforts to repatriate Angolans displaced by the civil war. The GRA has stepped up its support and in early January began providing flight support for the current campaign designed to repatriate 5,000 refugees from Zambia.

¶15. (SBU) USAID/Angola is a pacesetter for missions worldwide when it comes to Global Development Alliances. In FY06 it had partnerships valued at approximately USD 5 million with Chevron, Exxon Mobil, Lazare Kaplan Intl, and Banco de Fomento Angola, a Portuguese based bank. In addition, we received in-kind contributions from Odebrecht (a Brazilian construction company), Exxon Mobil, Chevron, Coca-Cola, Alcatel-Lucent, Sistec (a local firm) and Open Society Institute (OSI) for the Junior Achievement Program. Beyond its corporate partners, USAID has also formed partnerships with the Dutch government and the OSI.

LUANDA 00000056 004 OF 004

#### Economic Front: Opportunities for US Businesses

-----

¶16. (C) Angola is changing its policy towards the United States. While some resentment occasionally surfaces at the working level over our support of UNITA during the civil war, the government has shown itself eager to embrace closer economic and international political ties with the United States. The dos Santos government is moving on some issues

of importance to us: it ratified the Cape Town convention and Article 98, has paid its arrears to us, and is working in fits and starts with the IMF and the World Bank on transparency issues. It is also negotiating with the Paris Club to repay all bilateral creditors. TAAG, the national airline, took delivery of five Boeing jets in November, 2006 ) the featured event in the government,s National Day celebrations. Over the last six months, we have noted a dramatic increase in the number of US companies visiting Luanda to look at export opportunities presented by infrastructure rebuilding, to explore establishing a local presence, and to successfully conclude contracts.

¶17. (C) Angola,s oil production is expected to reach almost 2 million barrels per day (bpd) by the end of 2007, up from its current production of 1.4 million bpd (Note. Given the increasing level of production, Angola agreed to join OPEC in late 2006, and the GRA believes that production quotas it hopes to receive soon will reflect this continued increase in production. End Note) Despite its economic potential, Angola remains one of the most difficult countries in the world in which to conduct business (Angola ranked 142 of 163 in Transparency International's 2006 rating). It takes an average of 124 days to start a business despite government attempts to streamline the process. Costs remain high due to the lack of infrastructure, corruption, high input costs, a cumbersome regulatory environment, and a limited pool of individuals with professional skills. The private banking system is rapidly expanding and bank regulatory arrangements are being improved, but credit remains difficult despite NGO and GRA programs to encourage micro-financing, especially in agriculture and for teachers and health workers.

#### Military to Military Cooperation

-----

¶18. (C) During EUCOM D/Commander Ward's visit late in 2006, the GRA expressed interest in strengthening military-to-military ties with the U.S. Gen Ward discussed the creation of a joint working group to discuss our cooperation plans and we hope to hold such meetings in the first quarter of calendar year 2007. In regional terms, the military is large (over 100,000) and well-financed. we are working to engage the Angolans in peace-keeping through ACOTA, but recent events surrounding the AU's request for Angolan assistance in a Somalia peace-keeping force reinforce the cautious nature of the GRA in projecting its troops beyond immediate borders. On January 19, the GRA announced that it would not lend troops to any peace keeping operation, stating instead that it would need troops to help develop domestic infrastructure and programs (septel).

EFIRD